

## Message Text

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PAGE 01 STATE 165896

21

ORIGIN SIG-02

INFO OCT-01 ARA-06 ISO-00 ABF-01 SS-15 /025 R

DRAFTED BY S/IG:RMSAYRE:JBM

APPROVED BY S/IG:RMSAYRE

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P 030232Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY MANAGUA PRIORITY

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FOR AMBASSADOR EYES ONLY

E.O. 11652: N/A

TAGS: ASIG

SUBJECT: SPECIAL AUDIT

REF: MANAGUA 3037

1. THE PURPOSE OF STATE 152382 WAS TO ADVISE THE EMBASSY OF THE RESULTS OF A SPECIAL AUDIT OF CERTAIN BUDGET AND FISCAL ACTIVITIES OF THE EMBASSY FOR THE PERIOD OCTOBER 1970 TO AUGUST 1975 AND, BECAUSE THE EMBASSY IS THE CUSTODIAN OF THE RECORDS, TO REQUEST CERTAIN INFORMATION FROM THOSE RECORDS. LEADS DEVELOPED IN EXAMINING RECORDS FOR THE PERIOD WERE FOLLOWED UP WHERE REQUIRED. AS IN ALL INSPECTIONS AND AUDITS, THE INSPECTED UNIT IS ADVISED OF THE FINDINGS AND REQUESTED TO INFORM THE DEPARTMENT WHETHER THE DEFICIENCIES HAVE BEEN CORRECTED. THE SPECIAL AUDIT WAS CARRIED OUT IN ACCORDANCE WITH NORMAL PROCEDURES AND THE EMBASSY WAS GIVEN SEVERAL ADVANCE NOTICE. BECAUSE OF THE URGENCY OF THIS AUDIT AND ITS LIMITED SCOPE, THE LIMITED OFFICIAL USE

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PAGE 02 STATE 165896

ARRANGEMENTS WITH THE EMBASSY WERE MADE ON SHORT NOTICE.

HOWEVER, INSPECTION AND AUDIT PROCEDURES ALSO REQUIRE UNANNOUNCED AUDITS AND THE DEPARTMENT CANNOT ASSURE AN EMBASSY THAT IT WILL ALWAYS BE NOTIFIED IN ADVANCE.

2. THE DEPARTMENT REGRETS THE ADDITIONAL BURDEN ON THE EMBASSY. IN THIS CASE THE DEPARTMENT IS SEEKING TO RESPOND

PROMPTLY TO A CONGRESSIONAL INQUIRY. THE DEPARTMENT DOES NOT HAVE THE OFFICIAL RECORDS AND CANNOT ACT ON THE BASIS OF COPIES. THE COPY OF THE TELEPHONE BILLS (PARA 4 MANAGUA 3037) WAS REQUESTED FOR AND DELIVERED TO THE CONGRESSIONAL COMMITTEE. THE EMBASSY IS RESPONSIBLE UNDER 3 FAM 630, SPECIFICALLY PARAGRAPH 632.2 B, AND 4 FAM 310, SPECIFICALLY 310.2 D, FOR INVESTIGATING ANY ALLEGATIONS OF THE MISUSE OF GOVERNMENT PROPERTY OR FUNDS THAT WERE OR ARE UNDER ITS CUSTODY AND RENDERING A REPORT TO THE DEPARTMENT. THE SPECIAL AUDIT WAS ADDRESSED TO ALL THE ALLEGATIONS MADE BY A CONGRESSIONAL COMMITTEE AND CONCLUDED THAT THERE WAS REASON TO BELIEVE THE USG SHOULD BE REIMBURSED ON REPRESENTATION, TELEPHONE CALLS, TRAVEL, MEDICAL BILLS, AND GOVERNMENT SUPPLIED PROPERTY. AN AUDIT DOES NOT RELIEVE THE RESPONSIBLE OFFICIALS OF INVESTIGATING THE ALLEGATIONS IN ACCORDANCE WITH THE REGULATIONS. DEPARTMENT WOULD STILL APPRECIATE RECEIVING INFORMATION REQUESTED STATE 152382.

3. WITH RESPECT TO EMBASSY COMMENT ON REPRESENTATION, 3 FAM 344.5 REQUIRES AMBASSADOR TO ESTABLISH DOLLAR LIMITS FOR VARIOUS TYPES OF APPROVED ACTIVITIES. DEPARTMENT ASSUMES THAT AMOUNTS SO ESTABLISHED WILL BE PUBLISHED TO OFFICERS WHO HAVE REPRESENTATION RESPONSIBILITIES AND REIMBURSEMENTS WILL BE BASED ON PUBLISHED AMOUNTS. AMBASSADOR MAY OF COURSE CHANGE AMOUNTS PERIODICALLY OR AUTHORIZE REIMBURSEMENT ON ACTUAL COST BASIS FOR SPECIFIC FUNCTION. IT WOULD BE CONTRARY TO INTENT OF REGULATION TO REIMBURSE AT OTHER THAN ESTABLISHED RATE. KISSINGER

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**TAGS:** ASIG  
**To:** MANAGUA  
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